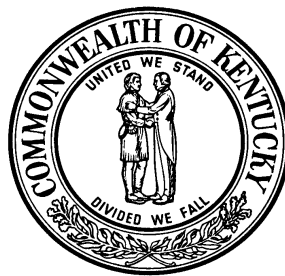


**REPORT OF THE AUDIT OF THE
KENTON COUNTY
SHERIFF**

**For The Year Ended
December 31, 2014**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY
AUDIT OF THE
KENTON COUNTY SHERIFF

For The Year Ended
December 31, 2014

The Auditor of Public Accounts has completed the Kenton County Sheriff's audit for the year ended December 31, 2014. Based upon the audit work performed, the financial statements present fairly, in all material respects, the receipts, and disbursements of the Sheriff and the receipts, disbursements, and fund balances of the Sheriff's operating fund and county fund with the State Treasurer in conformity with the regulatory basis of accounting.

Financial Condition:

A fee official in counties with a population over 70,000 has two funds established with the state for the deposit of fees collected. Seventy-five percent (75%) of the fees collected are deposited in a Sheriff's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected are deposited to the county government fund and paid quarterly to the county government. These funds are closed at the end of each four-year term by paying the balances to the respective county government.

The Kenton County Sheriff had total receipts of \$5,311,686, which was a \$52,728 increase from the prior year. Except for reimbursed expenses in the amount of \$2,263,512 and fiscal court contributions of \$7,526, the sheriff paid 25% of receipts to the Kenton County Fiscal Court in the amount of \$760,162. This was a decrease of \$28,574 from the prior year.

Deposits:

The sheriff's deposits as of December 31, 2014 were exposed to custodial credit risk as follows:

- Uncollateralized and Uninsured \$1,727,207

The sheriff's deposits were covered by FDIC insurance and a properly executed collateral security agreement, but the bank did not adequately collateralize the sheriff's deposits in accordance with the security agreement.

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Kris Knochelmann, Kenton County Judge/Executive
The Honorable Charles Korzenborn, Kenton County Sheriff
Members of the Kenton County Fiscal Court

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying Statement of Receipts and Disbursements - Regulatory Basis of the Sheriff of Kenton County, Kentucky, and the Statement of Receipts, Disbursements, and Fund Balances of the Sheriff's Operating Fund and County Fund with the State Treasurer - Regulatory Basis for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Audit Guide for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



The Honorable Kris Knochelmann, Kenton County Judge/Executive
The Honorable Charles Korzenborn, Kenton County Sheriff
Members of the Kenton County Fiscal Court

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Kenton County Sheriff on the basis of accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Kenton County Sheriff, as of December 31, 2014, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the receipts and disbursements of the sheriff and the receipts, disbursements, and fund balances of the sheriff's operating fund and county fund with the state treasurer for the year ended December 31, 2014, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2016 on our consideration of the Kenton County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kenton County Sheriff's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal flourish extending to the right.

Mike Harmon
Auditor of Public Accounts

May 24, 2016

KENTON COUNTY
CHARLES KORZENBORN, SHERIFF
STATEMENT OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS

For The Year Ended December 31, 2014

Receipts

Federal Grants:

Drug Enforcement Administration/United States Marshall Reimbursements	\$	23,227
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State Grants:

Federal Highway Safety Grants	\$	8,941
Kentucky Law Enforcement Foundation Program Fund (KLEFP)	108,437	117,378

State Fees for Services:

Prisoner Transports	75,079	
Sheriff Security Service	337,194	
Summons - Witnesses/Jurors	1,236	413,509

Circuit Court Clerk:

Fines/Fees Collected		81,395
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Fiscal Court

7,526

County Clerk

215,341

Commission on Taxes

3,596,890

Sheriff's 10% Fee

182,481

Fees Collected for Services:

Auto Inspections	59,981	
Accident /Police Reports	155	
Serving Papers	355,022	
Carry Concealed Deadly Weapon Permits	37,520	452,678

Other:

Expense Reimbursements/Refunds	27,151	
Miscellaneous	32,923	
School Resource Officer Reimbursements	161,187	221,261

Total Receipts

5,311,686

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY
CHARLES KORZENBORN, SHERIFF
STATEMENT OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS
For The Year Ended December 31, 2014
(Continued)

Disbursements

Payments to State Treasurer:

75% Operating Fund *	\$ 4,551,524	
25% County Fund	<u>760,162</u>	<u>\$ 5,311,686</u>

Balance Due at Completion of Audit		<u>\$ 0</u>
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* Includes reimbursed expenses in the amount of \$2,271,038 for the audit period.
See Note 1 of Notes to Financial Statements.

KENTON COUNTY
 CHARLES KORZENBORN, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 FUND BALANCES OF THE SHERIFF'S OPERATING FUND
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS

For The Year Ended December 31, 2014

	75% Operating Fund	25% County Fund	Totals
Fund Balance (Restated) - January 01, 2014	\$ 271,052	\$	\$ 271,052
<u>Receipts</u>			
Fees Paid to State - Operating Funds (75%)	4,551,524		4,551,524
Fees Paid to State - County Funds (25%)		760,162	760,162
Total Funds Available	4,822,576	760,162	5,582,738
<u>Disbursements</u>			
Kenton County Fiscal Court		760,162	760,162
Personal Services-			
Official's Statutory Maximum	111,463		111,463
Official's Training Incentive	3,910		3,910
Deputies' Salaries	2,385,576		2,385,576
Overtime Gross	41,259		41,259
Employee Benefits-			
Employer's Share Social Security	187,072		187,072
Employer's Share Retirement	608,539		608,539
Employer's Share Health Insurance	338,174		338,174
Unemployment Insurance	5,707		5,707
Workers' Compensation	24,939		24,939
Other Payroll Disbursements	607		607
Supplies and Materials-			
Office Supplies	40,424		40,424
Uniforms	29,150		29,150
Gasoline	113,292		113,292
Ammunition	6,974		6,974
Other Charges-			
Dues	11,749		11,749
Postage	5,712		5,712
Data Processing	53,901		53,901

The accompanying notes are an integral part of the financial statements.

KENTON COUNTY
 CHARLES KORZENBORN, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 FUND BALANCES OF THE SHERIFF'S OPERATING FUND
 AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS
 For The Year Ended December 31, 2014
 (Continued)

	75% Operating Fund	25% County Fund	Totals
<u>Disbursements</u> (Continued)			
Other Charges (Continued)-			
Vehicle Expense	\$ 49,473	\$	\$ 49,473
Parking	16,740		16,740
Insurance - Property	70,521		70,521
Telephone/Cell Expense	16,867		16,867
Training	21,728		21,728
Physical/Drug Test	1,144		1,144
Legal Fees	27,890		27,890
Mobilcomm	10,192		10,192
Subscriptions/Publications	1,070		1,070
Miscellaneous	66,267		66,267
Capital Outlay-			
Office Equipment	7,719		7,719
Vehicles	101,801		101,801
Total Disbursements	4,359,860	760,162	5,120,022
Fund Balance - December 31, 2014 *	\$ 462,716	\$	\$ 462,716

* Excess Fees in the amount of \$467,248 were paid in March 2015. A refund of \$4,532 is due from fiscal court in order to close out the 75% Operating Fund.

KENTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount due from the sheriff as determined by the audit.

KRS 64.350 establishes that a fee official in counties with a population over 70,000 has two funds with the state treasurer for the deposit of fees collected. Seventy-five percent (75%) of the fees collected are deposited in a sheriff's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected are deposited to the county fiscal court fund and paid to the fiscal courts, urban-county governments, or consolidated local governments of the respective counties quarterly no later than April 15, July 15, October 15, and January 15. These funds are closed at the end of each official term by paying the balances to the respective county government.

The financial statements have been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting receipts and disbursements are generally recognized when cash is received or disbursed with the exception of accrual of the following items (not all-inclusive) at December 31:

- Interest receivable
- Collection on accounts due from others for 2014 services
- Reimbursements for 2014 activities
- Tax commissions due from December tax collections
- Payments due other governmental entities for payroll
- Payments due vendors for goods or services provided in 2014
- Payroll disbursements incurred but not paid

The Attorney General issued a letter which stated that some receipts of the fee official offices could be considered reimbursed expenses. All reimbursed expenses are treated as revenue in the 75 percent fund.

KENTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Cash and Investments

KRS 66.480 authorizes the sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county official and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple employer defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute five percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute six percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 19.55 percent for the first six months and 18.89 percent for the last six months.

Hazardous covered employees are required to contribute eight percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute nine percent of their salary to be allocated as follows: eight percent will go to the member's account and one percent will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 37.60 percent for the first six months and 35.70 percent for the last six months.

The Sheriff's contribution for calendar year 2012 was \$632,156, calendar year 2013 was \$613,024, and calendar year 2014 was \$608,539.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008 aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

KENTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014
(Continued)

Note 2. Employee Retirement System (Continued)

CERS also provides post-retirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Years of Service	% paid by Insurance Fund	% Paid by Member through Payroll Deduction
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount.

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, such employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

Note 3. Deposits

The Kenton County Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

KENTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014
(Continued)

Note 3. Deposits (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the sheriff's deposits may not be returned. The sheriff does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 66.480(1)(d) and KRS 41.240. On December 31, 2014, the sheriff's bank balance was exposed to custodial credit risk because the bank did not adequately collateralize the sheriff's deposits in accordance with the security agreement.

- Uncollateralized and Uninsured \$1,727,207

Note 4. Reimbursement Agreements

The office of the sheriff entered into a task force agreement with the U.S. Department of Justice, Drug Enforcement Administration. Funds received in conjunction with this agreement are to be used to fund the overtime for a full time deputy assigned to the US Marshall Service. Funds received under this agreement totaled \$23,227 for the year ended December 31, 2014.

Note 5. Federal Asset Forfeiture Account

The office of the sheriff received monies from the federal agencies for funds recovered in drug related disbursements. The account had a beginning of \$117,422, receipts of \$3,995 and disbursements of \$5,753. The ending balance as of December 31, 2014 was \$115,664. All funds received were expended for their intended purpose.

Note 6. Non-Federal Asset Forfeiture Account

The office of the sheriff received monies from the local and state agencies for funds recovered in drug related disbursements. The account had a beginning balance of \$15,755, no receipts and disbursements of \$3,880. The ending balance as of December 31, 2014 was \$11,875. All funds received were expended for their intended purpose.

Note 7. Discretionary Account

The office of the Sheriff maintains a discretionary account which is permitted per KRS 64.345(2). These funds are to cover expenses related to special training and travel related to homeland security emergencies, academy graduations, retirements, state and national sheriff's conventions, and extraordinary office expenses in amounts authorized by the approving authority. There was a \$2,952 balance as of January 1, 2014. Receipts totaled \$6,444 and disbursements totaled \$9,359, leaving a balance of \$37 as of December 31, 2014. Any remaining funds in this account at the end of the term were turned over to the 75% account.

KENTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014
(Continued)

Note 8. Donation Account

The office of the sheriff maintains an account for the receipt of donations. These funds may be used for the operations of the Sheriff's office per KRS 61.310. The account was opened in calendar year 2014, had receipts of \$7,879 and disbursements of \$6,668. The ending balance as of December 31, 2014 was \$1,211. All funds received were expended for their intended purpose.

Note 9. State Grants

A. Kentucky Law Enforcement Foundation Program Fund (KLEFPF)

The office of the sheriff received \$108,437 reimbursements from a grant under the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) from the Commonwealth of Kentucky Department of Criminal Justice Training. Under the program, eligible officers received up to \$3,100 annually as provided in KRS 15.460. All funds received were expended for their intended purpose.

B. Partnership For A Drug Free America

The office of the sheriff received funds from a grant under the PACT 306 Community Education Programs, Partnership For A Drug Free America. The purpose of the grant is to cover expenses for community prevention education on dealing with exiting drug issues and rapidly responding to emerging drug threats. The account had a beginning balance of \$4,797, no receipts and disbursements of \$30. The ending balance as of December 31, 2014 was \$4,767.

C. Click It or Ticket Highway Safety Grant

The office of the sheriff was awarded \$3,334 from the Kentucky Transportation Cabinet Office of Highway Safety specifically for Click It or Ticket Overtime Enforcement. All grants administered through the Kentucky Office of Highway Safety are reimbursement based. All reimbursement requests must contain documentation which demonstrates the disbursements were incurred and paid for. The sheriff requested and received reimbursements in the amount of \$2,275.

D. Drive Sober or Get Pulled Over Highway Safety Grant

The office of the sheriff was awarded \$6,666 from the Kentucky Transportation Cabinet Office of Highway Safety specifically for Impaired Driving Overtime Enforcement. All grants administered through the Kentucky Office of Highway Safety are reimbursement based. All reimbursement requests must contain documentation which demonstrates the disbursements were incurred and paid for. The sheriff requested and received reimbursements in the amount of \$6,666.

KENTON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014
(Continued)

Note 10. Prior Period Adjustment

The beginning balance of the sheriff's 75% operating fund has been restated by \$73,798 to reflect the correction of misstatements of commissions in prior year.

Note 11. Commitments and Contingencies

The office of the sheriff is involved in multiple lawsuits that arose from the normal course of doing business. While individually they may not be significant; in the aggregate, they could negatively impact the county's financial position. Due to the uncertainty of the litigation, a reasonable estimate of the financial impact on the county cannot be made at this time.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Kris Knochelmann, Kenton County Judge/Executive
The Honorable Charles Korzenborn, Kenton County Sheriff
Members of the Kenton County Fiscal Court

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statements Performed In Accordance With Government Auditing Standards**

Independent Auditor's Report

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Receipts and Disbursements - Regulatory Basis of the Sheriff of Kenton County, Kentucky, and the Statement of Receipts, Disbursements, and Fund Balances of the Sheriff's Operating Fund and County Fund with the State Treasurer - Regulatory Basis for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated May 24, 2016. The Kenton County Sheriff's financial statements are prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a special purpose framework.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Kenton County Sheriff's internal control over financial reporting to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Kenton County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Kenton County Sheriff's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statements Performed In Accordance With *Government Auditing Standards*
(Continued)

Internal Control Over Financial Reporting (Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Kenton County Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mike Harmon', followed by a horizontal line.

Mike Harmon
Auditor of Public Accounts

May 24, 2016

